

**AGENDA FOR THE
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MONDAY, MARCH 24, 2003 AT 2:00 P.M.
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**AGENDA FOR THE
REGULAR COUNCIL MEETING OF
MONDAY, MARCH 24, 2003 AT 2:00 P.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS - 12TH FLOOR
202 "C" STREET
SAN DIEGO, CA 92101**

ITEM-1: ROLL CALL.

ITEM-10: INVOCATION.

ITEM-20: PLEDGE OF ALLEGIANCE.

SPECIAL ORDERS OF BUSINESS

ITEM-30: Patricia McQuater Day.

MAYOR MURPHY'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1084)

Recognizing Patricia McQuater for her wonderful contributions to the San Diego community and thanking her for her dedicated service on the San Diego Unified Port District Board of Directors;

Proclaiming March 24, 2003 to be "Patricia McQuater Day" in the City of San Diego.

SPECIAL ORDERS OF BUSINESS

ITEM-31: Tariq Khamisa Day.

COUNCILMEMBER ZUCCHET'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1100)

Recognizing the Tariq Khamisa Foundation for its outstanding efforts to combat and reduce youth violence in our community;

Proclaiming March 24, 2003 to be “Tariq Khamisa Day” in the City of San Diego.

SPECIAL ORDERS OF BUSINESS

ITEM-32: Geoff Patnoe Day.

COUNCILMEMBER MAIENSCHIN'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1083)

Recognizing and commending Geoff Patnoe for his many outstanding contributions and service to San Diego;

Proclaiming March 24, 2003 to be “Geoff Patnoe Day” in the City of San Diego.

SUPPORTING INFORMATION:

Geoff Patnoe is completing his one-year term as the 11th Executive Director of the San Diego County Taxpayers Association. Geoff has also served on the Citizens Taskforce on Chargers Issues and the Independent Citizens Oversight Committee for San Diego City Schools.

Maienschein

SPECIAL ORDERS OF BUSINESS

ITEM-33: San Diego Project Heart Beat.

COUNCILMEMBER MADAFFER'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1087)

Recognizing and saluting San Diego Project Heart Beat and its partners in their dedication to saving lives.

REQUESTS FOR CONTINUANCE

The Council will now consider requests to continue specific items.

CONSENT ITEMS

The following listed items are considered to be routine, and the appropriate Environmental Impact Reports have been considered. These items are indicated on the docket by a preceding asterisk (*).

ORDINANCES INTRODUCED AT A PREVIOUS MEETING, READY FOR DISPENSING WITH THE READING AND ADOPTION:

None.

ORDINANCES TO BE INTRODUCED:

Item 50.

RESOLUTIONS TO BE ADOPTED:

Items 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116 and 117.

ADOPTION AGENDA, CONSENT ITEMS

ORDINANCES TO BE INTRODUCED:

* ITEM-50: Ethics Commission “Clean-Up” Amendments to the San Diego Municipal Code.

(See memorandum from Charles B. Walker dated 2/12/2003.)

TODAY'S ACTION IS:

Introduce the following ordinance:

(O-2003-119)

Introduction of an Ordinance amending San Diego Municipal Code by amending Chapter 2, Article 6, Division 4, by amending Sections 26.0402, 26.0413, 26.0414, 26.0421, 26.0422, 26.0423, 26.0425, 26.0430, 26.0435, and 26.0450, all relating to Investigation and Enforcement procedures for the City of San Diego Ethics Commission.

RULES, FINANCE AND INTERGOVERNMENTAL RELATIONS COMMITTEE'S RECOMMENDATION:

On 2/12/2003, RULES voted 5 to 0 to approve. (Councilmembers Peters, Maienschein, Madaffer, Inzunza and Mayor Murphy voted yea.)

SUPPORTING INFORMATION:

On February 10, 2003, the City Council adopted Resolution R-297624 approving the Ethics Commission's Audit Manual, thereby necessitating changes to the Ethics Commission's Investigation and Enforcement procedures. These procedures, codified in the Municipal Code at Sections 26.0401, et seq., must be amended to be consistent with the provisions of the Audit Manual.

Changes to Section 26.0413 clarify that the Ethics Commission's jurisdiction for audits is limited to actions and events occurring on or after July 21, 2001. Section 26.0421 is amended to provide that the Commission must vote on material violations resulting from an audit before proceeding with an enforcement action on its own initiative. Section 26.0422 allows the Commission to suspend Preliminary Review for complaints of persons involved in a Commission audit and also allows the Commission's Executive Director to dismiss violations found in an audit if such violations are (a) non-material; or (b) material but the Commission has voted not to initiate enforcement action.

In recognition of the potential for a Brown Act violation, Section 26.0430 eliminates an option that would have permitted the full Ethics Commission to sit as a Presiding Authority at a Probable Cause Hearing, a hearing that could be closed to the public. In light of a recent California Supreme Court ruling, Section 26.0430 is also amended to eliminate paid hearing officers from acting as Presiding Authority.

Other substantive changes include amending Section 26.0402 by adding a definition of "City" to clarify the identities of the entities subject to the jurisdiction of the Ethics Commission, and by revising the definition of "Governmental Ethics Laws" to clarify that Commission has jurisdiction to enforce local laws but not state laws. Section 26.0413 has been amended to clarify that individuals within the jurisdiction of the Commission include members of Project Area Committees and employees who are not considered "classified" or "unclassified" but are nevertheless City employees. Section 26.0422(e)(4) clarifies the Executive Director's discretion to dismiss complaints that consist of speculation or opinion, or are frivolous or absurd. Section 26.0423 clarifies that taking no action on a complaint is an option available to the Commission. Section 26.0435(d) is amended to recognize that the Hearing Procedures adopted by the Commission, not the California Administrative Procedures Act, provide the procedures for pre-hearing discovery.

Non-substantive "clean-up" amendments include italicizing defined terms (Section 26.0414) and capitalizing certain words (Sections 26.0422, 26.0425, 26.0430, 26.0435).

FISCAL IMPACT:

None.

Baber/CB

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

* ITEM-100: Inviting Bids and Award of Contract for Water Meter Box Replacement Project.

(See memorandum from Larry Gardner dated 2/25/2003.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2003-1077)

Approving the plans and specifications for the Construction of Water Meter Box Replacements (Projects) on Work Order No. 051827;

Authorizing the City Manager to award four \$250,000 contracts to, and to execute four contracts with the lowest responsible and reliable bidders for the Projects through the minor Construction Program in a total amount not to exceed \$1,000,000, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the expenditure of an amount not to exceed \$1,000,000 from Water Fund 41500, Org. No. 516, Water Meter Box Replacements, Water Department Operations Division, solely and exclusively for the purpose of providing funds for the Projects and related costs, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are, or will be, on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves. (BID-M02056)

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 3/5/2003, NR&C voted 5 to 0 to approve. (Councilmembers Zucchet, Lewis, Frye, Madaffer and Inzunza voted yea.)

CITY MANAGER SUPPORTING INFORMATION:

There are approximately 1,600 broken and damaged concrete water meter boxes currently within the City's water system. These damaged boxes have caused numerous claims to be filed through the City's Risk Manager Department and it is essential that these boxes be replaced in order to reduce and/or eliminate any further liability to the City. The Water Department intends

to utilize the City's Minor Construction Program to expedite the replacement of the damaged boxes. To accomplish this task, the 1600 boxes will be divided into 4 individual project groups at an estimated \$250,000 each, totaling \$1,000,000.

Mendes/Gardner/MS

Aud. Cert. 2300916

ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:

- * ITEM-101: Inviting Bids and Award of Contract for Force Main #1 Inspection and Repair - East Portal Project.

(See memorandum from Scott Tulloch dated 2/13/2003. Peninsula Community Area. District-2.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2003-1108)

Approving the plans and specifications for the furnishing of all labor, material, tools, equipment, transportation and other expense necessary or incidental and inviting bids for the Construction of Force Main #1 Inspection and Repair - East Portal Project on Work Order No. 195831;

Authorizing the City Manager to execute a contract with the lowest responsible and reliable bidder for the Project in an amount not to exceed \$1,470,000, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller to transfer the following: an amount not to exceed \$435,860 from Fund 41508, CIP-46-175.0, Point Loma Headworks, Odor Control and Grit Processing to Fund 41508, CIP-46-181.0, Force Main 1 & 2 Corrosion Study for sublet CIP-46-181.2, Force Main 1 Inspection and Repair; an amount not to exceed \$293,445 from Fund 41509, CIP-46-055.0, FIRP Pump Station to Fund 41508, CIP-46-181.0, Force Main 1 & 2 Corrosion Study for sublet CIP-46-181.2, Force Main 1 Inspection and Repair; and an amount not to exceed \$230,000 from Fund 41509, CIP-45-955.0, Mission Valley Water Reclamation Plant Road Improvements to Fund 41508, CIP-46-181.0, Force Main 1 & 2 Corrosion Study for sublet CIP-46-181.2, Force Main 1 Inspection and Repair;

Authorizing the expenditure of an amount not to exceed \$1,470,000, of which \$1,416,000 is from Fund 41508, CIP-46-181.0, Force Main 1 & 2 Corrosion Study for sublet CIP-46-181.2, Force Main 1 Inspection and Repair, for the purpose of providing funds for project construction and related costs, and \$54,000 is from Fund 41508, CIP-46-501.0, Annual Allocation - Metro Pooled Contingency for project contingency, for the purpose of providing funds for the Project and related costs, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are, or will be, on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves. (BID-K03107)

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 2/19/2003, NR&C voted 4 to 0 to approve. (Councilmembers Lewis, Frye, Madaffer, and Inzunza voted yea. Councilmember Zucchet not present.)

CITY MANAGER SUPPORTING INFORMATION:

Metro Pump Station #2 (PS #2) was built in 1962 to pump wastewater to the Point Loma Wastewater Treatment Plant (PLWTP). Force Main #1 (FM #1) was built in 1963 to connect PS #2 to the Point Loma Tunnel Interceptor Sewer, which conveys wastewater to the PLWTP. Force Main #2 (FM #2) was built in the late 1970s as a backup for FM #1. Both FM #1 and FM #2 are connected together at the East Portal Structure. The East Portal was built in 1963. In the late 1990s a new structure was added to the East Portal. This structure added large gates to FM #1 and #2 in order to isolate the flows in the two force mains to accommodate an internal corrosion inspection. During the fall of 2001, the East Portal was inspected and some corrosion and delamination of the structural lining was discovered. This project will repair the delaminated liner sections and corrosion in the East Portal. The rehabilitation of this 40 year old facility is critical to the continued conveyance of wastewater from PS #2 to the PLWTP.

In addition to the East Portal, this project also includes: 1) the replacement of corroded appurtenances in the vaults along FM #1 to ensure uninterrupted service of the system; 2) replacement of four large force main valves installed in 1963 at Pump Station #2 on FM #1 and FM #2, which are used to drain the force mains for maintenance or emergencies; and 3) rehabilitation of the West Portal vent shaft, which was built in 1963. This project has been reviewed and approved by the Metro Commission.

The total cost of this project is \$1,470,000, which includes engineering, construction, construction management and other related costs. The construction management cost is estimated to be \$120,000. Originally \$400,000 was budgeted for just the East Portal work. However, with the addition of the work described above the construction cost estimate plus contingency is now \$1,134,000. Funding for this project will come from CIP-46.181.0, Force Main 1 & 2 Corrosion Study (\$456,695), CIP-46-501.0, Pooled Contingency (\$54,000) and excess funds from CIP-46-175.0, Point Loma Headworks (\$435,860), CIP-46-055.0, FIRP

Pump Station (\$293,445), and CIP-45-955.0, Mission Valley Water Reclamation Plant Road Improvements (\$230,000) which will fund the additional construction work.

FISCAL IMPACT:

The total of this request is \$1,470,000 of which \$1,416,000 is available in Fund 41508, CIP-46-181.0, Force Main 1 & 2 Corrosion Study for the construction and related costs of sublet CIP-46-181.2. Force Main 1 Inspection and Repair, and \$54,000 is available in Fund 41508, CIP-46-501.0, Annual Allocation -Metro Pooled Contingencies for project contingency.

Loveland/Tulloch/JMM

Aud. Certs. 2300911 and 2300792.

**ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:**

* ITEM-102: Northwest Area Police Station and Community Service Center.

(Carmel Valley Community Area. District-1.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1093)

Authorizing the City Manager to execute an agreement with Safdie Rabines Architects to provide professional consulting services related to the Northwest Area Police Station and Community Service Center Project;

Authorizing the expenditure of an amount not to exceed \$649,318 from Fund 79002, CIP-36-059.0, Northwest Area Police Station and Community Service Center, solely and exclusively for the purpose of funding the agreement with Safdie Rabines Architects.

CITY MANAGER SUPPORTING INFORMATION:

This project is located in the community of Carmel Valley, located on the West side of El Camino Real, at the intersection of Elijah Court. On September 8, 1998, the City entered into a development agreement with Pardee Construction Company. On September 3, 2002, in accordance with this agreement, the City purchased a four acre parcel of land, for the purpose of constructing a police station, vehicle maintenance facility and community service center.

This facility is proposed to accommodate the anticipated need for increased police services due

to the population growth and development in this area and will serve the extreme northwest area of the city, in Carmel Valley, and adjacent community plan areas. This project is also included in the Carmel Valley South, Carmel Valley North and Del Mar Mesa Facilities Benefit Assessments and the Pacific Highlands Ranch and Sorrento Hills Public Facilities Financing Plans and is in conformance with the City's Progress Guide and General Plan.

Nine (9) firms were certified from the as needed list for architectural services by the Consultant Selection Coordinator and were interviewed by Public Buildings and Parks Division. Safdie Rabines Architects was selected, in accordance with Council Policy 300-7. The proposed agreement with Safdie Rabines Architects will provide the professional services necessary to develop bridging documents (40% design documents), perform environmental studies, coordinate with the community to gain further input, evaluate various cost savings options and provide technical support during the design build procurement process. During the design build procurement process, the bridging documents will be utilized by the design builder as a basis for design and for preparing a proposal package. It is anticipated that the design build process will promote further cost savings.

FISCAL IMPACT:

The consultant's total fee is \$649,318, includes \$50,000 for additional services, at the City's discretion, and is available in Fund 79002, CIP-36-059.0, Northwest Area Police Station and Community Service Center. This project is funded via Facilities Benefit Assessments (FBA).

Loveland/Belock/AO

Aud. Cert. 2300958.

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

- * ITEM-103: Agreement with Stradling, Yocca, Carlson and Rauth for Bond and Disclosure Counsel Services for Advance Refundings for the Balboa Park and Mission Bay Park Certificates of Participation and the City of San Diego/MTDB Lease Revenue Bonds.

CITY ATTORNEY'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1033)

Authorizing the City Manager to execute an agreement with Stradling, Yocca, Carlson & Rauth, for Bond and Disclosure Counsel Services for the Advance Refundings for the Balboa Park/Mission Bay Park Certificates of Participation and the City of San Diego/MTDB Authority Lease Revenue Bonds for a maximum amount not to exceed \$116,000 contingent upon the issuance of bond financing.

SUPPORTING INFORMATION:

The City is in the process of conducting advance refundings (Advance Refundings) of two series of outstanding securities: approximately \$18.5 million in outstanding Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program) Series 1993, and approximately \$16 million in outstanding City of San Diego/MTDB Authority 1993 Lease Revenue Bonds (San Diego Old Town Light Rail Transit Extension) (collectively the Bonds). The City Attorney's Office determined that bond and disclosure counsel were necessary for the Advance Refundings. A Request for Proposals was sent out on December 11, 2002 to forty seven firms in the State of California, and the City Attorney selected the firm of Stradling, Yocca, Carlson & Rauth to act as bond and disclosure counsel for the Advance Refundings. The firm proposed to provide bond and disclosure counsel services for both refundings for a maximum amount not to exceed \$116,000, including expenses. Such fees and expenses are contingent on the bonds be sold.

FISCAL IMPACT:

Bond and disclosure counsel fees are contingent on the bonds being sold and will be paid from the proceeds of the Refunding Bonds.

Salt

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

- * ITEM-104: Design Agreement for 23 Citywide Pump Stations Upgrades.

(See memorandum from Scott Tulloch dated 1/29/2003.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2003-1075)

Modifying the FY2003 CIP Budget to include Fund 41506, CIP-41-929.0, Pump Stations Upgrades;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$663,673 from Fund 41509, CIP-45-940.0, Wet Weather Storage Facility to Fund 41506, CIP-41-929.0, Pump Stations Upgrades;

Authorizing the City Manager to enter into a phase funded agreement with CGvL Engineers for the design of 23 pump station upgrades for a total amount not to exceed \$1,428,335 together with any reasonably necessary modifications or amendments thereto which do not increase the project scope or cost and which the City Manager shall deem necessary from time to time in order to carry out the

purposes and intent of the project;

Authorizing the expenditure of a total amount not to exceed \$1,428,335 from Fund 41506, CIP-41-929.0, Pump Stations Upgrades, to fund the Pump Stations Upgrades Design Agreement in the following manner, provided that the City Auditor first furnishes one or more certificates certifying that the funds necessary are, or will be, on deposit with the City Treasurer for each phase:

<u>PHASE</u>	<u>AMOUNT</u>	<u>FY</u>	
1	\$603,673	2003	
2	\$669,774	2004	Contingent upon the approval of the FY2004 Operating Budget
3	\$154,888	2005	Contingent upon the approval of the FY2005 Operating Budget

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 2/5/2003, NR&C voted 5 to 0 to approve. (Councilmembers Zucchet, Lewis, Frye, Madaffer and Inzunza voted yea.)

CITY MANAGER SUPPORTING INFORMATION:

This Agreement provides for design services for maintenance upgrades for 23 pump stations located throughout the San Diego Metropolitan area. Most of these pump stations were built almost 50 years ago and need rehabilitation. The vast majority of the work will take place inside the pump stations. However, some pump stations will require work outside the buildings on redundant force mains and underground storage tanks. In addition, recent EPA regulations require upgrades on these pump stations to minimize the occurrence of any sewer spills.

The scope of work for these upgrades includes site investigation, preparation of a pre-design report, plans and specifications, and construction support. The City of San Diego's Consultant Nominating Committee nominated the seven most qualified consulting firms to participate in the final selection process. In conformance with Council Policy 300-7, these firms were interviewed and the firm of CGvL Engineers was selected as the best qualified firm to provide the design services. The sub-consultants on this project are Simon Wong Engineering, Ninyo & Moore, Lintvedt, McColl & Associates, Mark Balan & Associates, DeC Consultants, Orion Construction, MARRS Services, and Moraes/Phamm & Associates. Several community meetings are anticipated throughout the design phase. The Owner and Principal-In-Charge is Guillermo Garcia, Executive Vice-President.

FISCAL IMPACT:

The total consultant agreement cost is \$1,428,335. This project will be phase funded with \$603,673 allocated in FY2003, \$669,774 in FY2004, and \$154,888 in FY2005. Funds for FY2003 are available in Sewer Fund 41506, CIP-41-929.0, Pump Station Upgrades.

Mendes/Tulloch/JMM

Aud. Cert. 2300932.

ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:

* ITEM-105: Lease Approval - San Diego Gas and Electric at Cowles Mountain.

(Mission Trails Regional Park Community Area. District-7.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-729)

Authorizing the City Manager to execute a ten-year lease agreement with four five-year options to extend with San Diego Gas and Electric for the operation and maintenance of a communications facility at the City/County Cowles Mountain Communications Center, at an initial annual rent of \$50,700.

CITY MANAGER SUPPORTING INFORMATION:

San Diego Gas & Electric (SDG&E) is requesting a lease for the operation and maintenance of a recently constructed communications facility at the City/County Cowles Mountain Communications Center. It consists of 5 full or "tall" rack spaces, 2 half or "short" rack spaces, 4 two-way panel antennas and 1 six-foot dish antenna mounted on the west side of the former "Cox Cable" building. SDG&E requires use of this site to provide service to the local community. SDG&E has a number of leases with the City and has proved to be a reliable tenant.

BASIC TERMS of the agreement are as follows:

USE - Installation, maintenance, and operation of a communications facility for SDG&E.

TERM - Ten (10) years, with four 5-year options to extend.

GROUND RENT - Rent is \$50,700 annually (\$4,225 per month) with annual 5% rent increases and reappraisal every five years. This value is consistent with an outside independent fee appraisal dated August 2000 and updated October 2002. Rent has been collected since May 1, 2002, under a right-of-entry agreement.

PRIOR APPROVALS:

Mission Trails Regional Park Citizen's Advisory Committee

Mission Trails Regional Park Task Force

Park and Recreation Department

Information Technology and Communications Department

Development Services Department

San Diego County Board of Supervisors

FISCAL IMPACT:

The City will receive \$50,700 in the first year of the lease with 5% annual rent increases thereafter. Rental Proceeds generated will be credited to the Mission Trails Regional Park Fund

10580.

Herring/Griffith/JPA

**ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:**

* ITEM-106: Approving the Final Map of Lone Tree Estates.

(Del Mar Mesa Community Area. District-1.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1110)

Approving the final map.

CITY MANAGER SUPPORTING INFORMATION:

This map proposes the subdivision of a 43.030 acre site into 17 lots for residential development and two lots for open space. It is located southeasterly of I-5 and Ted Williams Freeway in the Del Mar Mesa Community Plan area. This map requires Council approval because a portion of Shaw Ridge Road is being vacated on the map.

On October 19, 2000 the Planning Commission of the City of San Diego approved Tentative Map TM-99-1 373 by Planning Commission Resolution No. 3035-3-PC. The City Engineer has approved the final map and states that all conditions of the Tentative Map have been satisfied.

The public improvements required for this subdivision are shown in detail on Engineering Drawing No. 30393-1 -D through 30393-17-D, filed in the Office of the City Clerk under Micro No. 141.41. All improvements are to be completed within two years.

The Engineers estimate for the cost of public improvements is \$928,169. An agreement has been entered into and a Performance Bond in that amount has been provided as surety. A cash bond in the amount of \$4,000, as determined by the surveyor's estimate, has been posted as surety for the setting of survey monuments.

The proposed Lone Tree estates project is estimated to generate approximately 170 average daily trips (ADT). 50 of these trips are estimated to occur on I-5, which has an estimated near-term plus project volume of 262,050 ADT. Caltrans is planning to widen I-5 to provide ten additional lanes south of State Route 56 to be completed by 2004-2007. Del Mar Mesa/Subarea V is required to contribute \$1,030,000 for the widening of SR 56 from four to six lanes.

This subdivision is in a community plan area as designated in the General Plan as Planned Urbanizing or Future Urbanizing. Special financing plans have been established to finance the

public facilities required for the community plan area. In addition, the developer is subject to and has paid a lien, pursuant to the establishment of the Carmel Valley Neighborhood #10 Cost Reimbursement District (CRD). The CRD was established for the construction of segments of Carmel Mountain Road and Carmel Country Road.

In order to satisfy Condition 11 of Planning Commission Resolution No. 3035-3-PC, subdivider has executed an Affordable Housing Agreement with the Housing Authority of the City of San Diego. In order to satisfy Condition 16 of Planning Commission Resolution No. 3035-3-PC, subdivider is entering into a Development Entitlement Indemnification Agreement which defends, indemnifies and holds harmless the City from liability or loss as a result of the vacation of a portion of Shaw Ridge Road.

FISCAL IMPACT:

None.

Ewell/Brought/grb

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

- * ITEM-107: Modify a Two Hour Unmetered Parking Time Limit Zone on the East Side of 5th Avenue between Fir Street and Grape Street.

(Centre City Community Area. District-2.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1054)

Establishing a two-hour unmetered time limit parking zone between the hours of 8:00 a.m. and 6:00 p.m., Saturday, Sunday and certain holidays excepted, on the east side of 5th Avenue between Fir Street and Grape Street;

Authorizing the installation of the necessary signs and markings; the regulations imposed shall become effective upon the installation of the signs.

CITY MANAGER SUPPORTING INFORMATION:

The east side of 5th Avenue between Fir Street and Grape Street has a 2 hour unmetered parking time limit, excluding Sundays and certain holidays. This was established by City Council Resolution R-108358 in 1952. 75% of the residents on the subject street have submitted a petition requesting that Saturdays be also added to the days excluding enforcement at the time limit zone.

Council Approval is required for designating parking time limit, according to San Diego Municipal Code Section 86.04. The City Manager recommends approval of this action.

FISCAL IMPACT:

None.

Loveland/Gonzalez/AH

**ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:**

* ITEM-108: Establish Two-hour Unmetered Parking on Alta Carmel Court South of Avenida Venusto.

(Carmel Mountain Ranch Community Area. District-5.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1055)

Establishing a two-hour parking zone effective between the hours of 8:00 a.m. and 4:00 p.m., Saturday, Sunday and certain holidays excepted, on both sides of Alta Carmel Court between Avenida Venusto and a point 500 feet south of Avenida Venusto;

Authorizing the installation of the necessary signs and markings; the regulations imposed shall become effective upon the installation of the signs.

CITY MANAGER SUPPORTING INFORMATION:

This action establishes two hour parking from 8:00 a. m. to 4:00 p. m., except on Saturdays, Sundays, and holidays on both sides of Alta Carmel Court, between Avenida Venusto and a point 500 feet south of Avenue Venusto.

The following properties represent 100% fronting of the affected area, and have signed a petition for this action:

1. Carmel Mountain Apartments at 12079 Alta Carmel Court
2. Rancho Carmel Village Center at 12125 Alta Carmel Court
3. Angelo Moullos at 12160 Alta Carmel Court

This area is adjacent to the Rancho Carmel business area, and increasing the turnover of parking would benefit the area as a whole. Field inspections by Traffic Engineering Staff revealed a very high level of occupancy and a low turnover, thus satisfying the minimum requirements for time

limit parking. This area is also adjacent to other areas with time limit parking. For that reason, this request is justified, and adequate enforcement will be provided.

The Carmel Mountain Ranch Community Council is in favor of this action. Approval of this action is recommended by the City Manager.

FISCAL IMPACT:

Funds for the installation of signs are budgeted within the Transportation Department, Street Division's operating fund.

Loveland/Gonzalez/AH

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

- * ITEM-109: Two actions related to Main Library Proposition 14 Grant application for Round 2 Grant Cycle.

(See City Manager Report CMR-03-043. Centre City-East Village Community Area. District-2.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2003-1081 Cor. Copy)

Authorizing the City Manager to:

1. Appropriate the local matching funds of \$10.8 million (35%) identified in the Proposition 14 Library Property Budget, which are identified and included in the Library Financing Plan approved by Council on November 18, 2002, as required by Education Code Section 19995(a), should a grant be awarded;
2. Appropriate supplemental funds of \$128.5 million as identified and included in the Library Financing Plan approved by Council on November 18, 2002, necessary to complete the project at the level stated in the project budget should a grant be awarded;
3. Appropriate the local matching supplemental funds as specified in the budget as identified and included in the Library Financing Plan approved by Council on November 18, 2002, as specified in the budget when they are required to meet cash flow requirements of the project;
4. Approve the project budget as contained in the Project Budget section of

the Application form;

5. Attest to the accuracy and truthfulness of all information submitted in the Application form and the required supporting documents;
6. Commit the Main Library to public library direct service by the City of San Diego;
7. Commit the Main Library to public library direct service by the City of San Diego;
8. Dedicate the Main Library to public library direct service use for a minimum of 40 years following completion of the project, regardless of any operating agreements the City may have with other jurisdictions or parties; and
9. Revise the Main Library CIP-35-082.0 budget as contained in the Proposition 14 application.

Subitem-B: (R-2003-1096)

Certifying that the information contained in LDR-41-0980A has been completed in compliance with the California Environmental Quality Act and State CEQA Guidelines, and that said Addendum reflects the independent judgment of the City of San Diego as Lead Agency. Stating for the record that the Addendum has been reviewed and considered prior to approving the project;

Adopting the Mitigation Monitoring and Reporting Program;

Directing the City Clerk to file a Notice of Determination (NOD) with the Clerk of the Board of Supervisors for the County of San Diego.

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

* ITEM-110: State of California Wildlife Conservation Board (WCB) Grant.

(East Elliott Community Area. District-7.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1023)

Authorizing the City Manager, or his representative, to submit an application to the State of California Wildlife Conservation Board, for open space acquisition in

the East Elliott area of the City of San Diego;

Authorizing the City Manager, or his representative, to take all necessary actions to secure funding;

Authorizing the City Manager, or his representative, to conduct all negotiations, execute and submit all documents, including but not limited to applications, amendments, and payments requests which may be necessary for the completion of the Project;

Authorizing the acceptance and expenditure of monies for the acquisition of real property rights, if grants are awarded, from CIP-37-443.0, MSCP, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the appropriation and expenditure of an amount not to exceed \$1,000,000 from the Habitat Acquisition Fund No. 10571 (\$900,000 from CIP-37-443.0, MSCP Acquisition and \$100,000 from Fund 10571/9544), as the local contribution for the acquisition of property rights in East Elliott.

CITY MANAGER SUPPORTING INFORMATION:

The City of San Diego is requesting consideration of a \$5,000,000 grant from the State of California Wildlife Conservation Board to assist in the acquisition of property within the East Elliott area of the City of San Diego. City funds totaling \$1,000,000 are being proposed as a match for the grant. The local match is available from the Habitat Acquisition Fund (10571) and CIP-37-443.0, Multiple Species Conservation Program-Property Acquisition. The grant funds would be used to continue acquisitions in the East Elliott area from willing sellers.

FISCAL IMPACT:

A total of \$5,000,000 would be received under the proposed WCB grant. A local match of \$1,000,000 is being proposed.

Ewell/Goldberg/KG

Aud. Cert. 2300888.

**ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:**

* ITEM-111: Two actions related to Revenue Enhancement and Information Services.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2003-1057)

Authorizing examination of Sales and Use Tax Records.

Subitem-B: (R-2003-1056)

Authorizing the City Manager to execute an agreement with MBIA MuniServices Company (MBIA) for Sales and Use Tax Audit Services and Geo-Based Information Program Services.

CITY MANAGER SUPPORTING INFORMATION:

In March of 1991, the City Council approved an agreement with Municipal Revenue Consultants (later renamed MBIA MuniServices Company (MMC)), to provide sales tax audit and information services. The resolution adopted by Council authorized MMC to review confidential State Board of Equalization (SBE) taxpayer information on the City's behalf, per the requirements of the State of California Revenue and Taxation Code. In March of 1997, the City Manager renewed the agreement with MMC which incorporated the provisions of a previous contract and included new revenue enhancement services. This contract has resulted in recovered revenues to the City in excess of \$25 million. The City's Sales Tax annual budget and projections include recovered revenues from sales tax audit service provided by MMC.

MBIA MuniServices Company (MMC) has more than 10 years of experience with the City of San Diego and its business environment. Due to the time limitations on recovery of potentially lost revenues, it would be beneficial to the City, especially under the current uncertain economic conditions, to retain the MMC as a sole source consultant to provide sales tax and property tax audit services, generating new sales and property tax revenue which would not otherwise have been realized by the City. The MMC's knowledge and expertise related to the City's finances makes the company a unique consultant for enhancing the City's revenues.

The City Manager has negotiated a new proposed agreement with MMC which incorporates the provisions of the existing sales tax audit contract and includes new revenue enhancement services. The City Manager is seeking the Council's continued authorization for MMC to review confidential SBE information on the City's behalf under the new agreement.

The new proposed agreement includes the following provisions:

1. Sales and Use Tax Audit service which maximizes the City of San Diego's revenues and minimizes the cost of lost revenue by detecting and documenting misallocations of sales and use tax activity.
2. Property Tax Audit service which assists the City's Redevelopment Agency (RDA) in recovering all of the revenue to which it is entitled from its Property Tax and the RDA Tax Increment.
3. Geo-Based Revenue Information Program (GRIP) service which develops and maintains a database for monitoring and analysis of revenue generated from the City's economic base and revenue structure and inputs the data elements into GRIP. GRIP facilitates the reorganization, monitoring and analysis of revenue contribution on a total amount, segregated and aggregated

basis according to revenue source, business type, industry, business, land use, facility, development and designated geographic area.

This Agreement will be effective for one year beginning with the date it is executed by the last Party to sign the Agreement. The term of this agreement shall have four one-year options to renew under the same terms and conditions.

FISCAL IMPACT:

MBIA MuniServices Company's (MMC) compensation is self-funded: the City is not obligated to pay MMC any compensation unless increased revenues are realized due to their services. The City's revenue generated over the last five years from MMC's revenue enhancement activities is \$11,192,703 which includes \$1,696,079 paid to MMC by the City.

Frazier/Irvine/IK

**ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:**

* ITEM-112: FY2003-2004 State Park Funding Process.

(Barrio Logan, Carmel Mountain Ranch, Clairemont Mesa, Greater Golden Hill, Greater North Park, Kearny Mesa, Kensington/Talmadge, La Jolla, Linda Vista, Mid City, Mid City Eastern Area, Mira Mesa, Mission Beach, Mission Valley, Navajo, Normal Heights, Otay Mesa/Nestor, Pacific Beach, Peñasquitos East, Peninsula, Rancho Bernardo, Sabre Springs, San Ysidro, Scripps Ranch, Serra Mesa, Skyline/Paradise Hills, Southeastern San Diego, Tierrasanta, University and Uptown Community Areas. Districts-All.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1035 Cor. Copy)

Approving park projects to be considered for funding by the State of California during Fiscal Year 2003-2004.

CITY MANAGER SUPPORTING INFORMATION:

On November 19,2001, the Mayor and City Council approved the Manager's recommendation to revise the process used to create the proposed list of San Diego park projects for potential funding by State Legislators during the State Budget process. The process provides the Mayor and each Council Office the opportunity to select three to five park projects within their areas of concern for consideration by the State Legislators for funding through the upcoming State budget process. Projects on the list were developed by the Park and Recreation Development Office staff in coordination with the Mayor and Council

Offices using the following criteria, which has historically been used by State Legislators to determine which projects will be funded through the State budget:

- C Ability to construct project quickly, ideally within 1-2 years from date of funding.
- C Availability of local matching funds; the State prefers not to be the sole funding source.
- C "Brick & Mortar" work preferred; funds are not often awarded for planning (design) projects.
- C Lack of other available funds; the State funds should not be used if other funding sources are available for the project.
- C Generally, to be competitive, project funding requests should not exceed \$300,000 per project.

Once the Mayor and City Council approve the list, project packages will be sent to the City's Sacramento representatives who meet with the appropriate Legislative Members. Project packages may include project descriptions, cost estimates, area demographics, letters of support, and photographs. As in the past, community groups will be notified via staff of the projects submitted and how to inform legislators of their support. It is important to note that due to the State's current budget shortfall it is anticipated there will be little, if any, discretionary budget money for Legislative Member's requests in the FY2003-2004 budget. However, it is possible that Legislative Members will identify other fund sources to allocate to San Diego park projects. The Park and Recreation Development Office and the Governmental Relations Department will work closely with the City's Sacramento representative to ensure all available funding is considered for the approved project list.

FISCAL IMPACT:

If projects are funded through this process, staff time will be required to oversee funding and construction. In addition, construction of new facilities may impact the City's operating budget due to increased maintenance and staffing needs.

Herring/Oppenheim/AP

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

- * ITEM-113: Proposed Formation of Assessment District No. 4096 (Piper Ranch).

(See City Manager Report CMR-03-044. Otay Mesa Community Plan Area. District-8.)

DEPUTY CITY MANAGER'S RECOMMENDATION:

Adopt the resolutions in Subitems A and B:

Subitem-A: (R-2003-1094 Cor. Copy)

A Resolution of the City Council of the City of San Diego of intention to order

improvements in a proposed assessment district, accepting petition of property owners, approving a proposed boundary map, and appointing the engineer of work.

Subitem-B: (R-2003-1095)

A Resolution of the City Council of the City of San Diego preliminarily approving Engineer's Report, setting the date for the public hearing of protests and providing for property owner ballots.

DEPUTY CITY MANAGER SUPPORTING INFORMATION:

The City has received an application and petition from Piper Ranch, LLC (property owner) to initiate special assessment proceedings for the purposes of establishing an assessment district on land owned in Otay Mesa, approximately one-half mile east of the Brown Field Airport. Piper Ranch, LLC is a wholly owned subsidiary of Otay Investors LLC, which is a joint venture between BCL Otay Investment LLC and Property Asset Management Inc., the latter of which is wholly owned by Lehman Brothers. The property is approximately 70 acres and is comprised of 24 parcels, which are fully entitled, and are planned to be developed as a light industrial office park. Site preparation and construction of infrastructure are underway.

The California Street and Highways Code, ("the Code") provides that public facilities that will be owned by the City may be financed through the establishment of an assessment district, and through collection of assessments from property owners within an assessment district. The Code further provides that the assessments may be pledged to support debt service on bonds issued to finance the public facilities. Council Policy 800-03 ("the Policy") allows for the use of assessment districts to finance public improvements required in connection with development and specifically contemplates utilization of assessment district financing in developing areas such as Otay Mesa.

Adoption of the above referenced resolutions will begin the formal legislative proceedings required to establish the proposed Assessment District.

FISCAL IMPACT:

None to the City. In accordance with Council Policy 800-03, all costs related to determining financial feasibility of the proposed Assessment District, including financial advisory services, legal counsel, assessment engineering, appraisal services, and City staff, have been funded by Piper Ranch, LLC.

If the Assessment District is formed and bonds are subsequently issued, all costs related to financing the public facilities and improvements as described in this report and all incidental expenses related to forming and administering the Assessment District will be borne by property owners within the Assessment District.

Frazier/Vattimo/MLG/RLD

NOTE: This activity is exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15061(b)(3).

ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:

- * ITEM-114: Frankie Laine Day.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1051)

Commending Frankie Laine for his many years of outstanding contributions and service to the City of San Diego and congratulating him on the occasion of his 90th birthday;

Proclaiming March 30, 2003 to be "Frankie Laine Day" in the City of San Diego.

ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:

- * ITEM-115: Appointment to the San Diego Unified Port District Board of Commissioners.

(See memorandum from Mayor Murphy dated 2/19/2003.)

MAYOR MURPHY'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1119)

Council confirmation of the appointment by the Mayor of Sylvia C. Rios to serve as a member of the San Diego Unified Port District Board of Commissioners for a term ending January 2, 2005, to replace Patricia McQuater, who has resigned.

ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:

- * ITEM-116: Appointments and Reappointments to the Historical Resources Board.

(See memorandum from Mayor Murphy dated 3/11/2003 with resumes attached.)

MAYOR MURPHY'S RECOMMENDATION:

Adopt the following resolution:

(R-2003-1115)

Council confirmation of the following appointments and reappointments by the Mayor to serve as members of the Historical Resources Board, for terms as indicated:

Reappointments

James H. Ahern	March 1, 2005
Laura Burnett, Vice Chairperson	March 1, 2005
Gary Lee Edwards	March 1, 2005
Larry P. Malone	March 1, 2005
Delores A. McNeely	March 1, 2005
Lloyd A. Schwartz	March 1, 2005

Appointments

Term Ending

Dr. Jerry Schaefer, Chairperson (replaces Harry Sherr, whose term has expired)	March 1, 2005
Abel Silvas (replaces Lynne Christenson whose term has expired)	March 1, 2005

ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:

* ITEM-117: Honoring John Kaheny on his Retirement for 22 Years of Service to the City.

COUNCILMEMBER PETERS' RECOMMENDATION:

Adopt the following resolution:

(R-2003-1113)

Recognizing and commending John Kaheny for his contributions to the City of San Diego during his 22 years of service to its citizens.

ADOPTION AGENDA, DISCUSSION, COMMITTEE ITEMS

COMMITTEE ON NATURAL RESOURCES, AND CULTURE,
RESOLUTIONS:

ITEM-150: Inviting Bids and Award of Contract for Miramar Water Treatment Plant Upgrade and Expansion - Contract A.

(See memorandum from Larry Gardner dated 1/28/2003. Scripps Miramar Ranch Community Area. Districts-1, 2, 5, 6, and 7.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2003-839)

Approving the plans and specifications for the furnishing of all labor, material, tools, equipment, transportation and other expense necessary or incidental and inviting bids for the Construction of Miramar Water Treatment Plant Upgrade and Expansion - Contract A on Work Order No. 182481A;

Authorizing the City Manager to establish contract funding phases to award a contract to, and to execute a contract with, the lowest responsible and reliable bidder for the Project, contingent upon (a) City Council approval of the expenditure of any additional Project funding that may become necessary as a result of the bid opening for the Project; (b) the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditure under established contract funding phases are, or will be, on deposit with the City Treasurer; and (c) the passage of the FY 2004 Capital Improvement Program and Appropriation Ordinance Budget;

Authorizing the expenditure of an amount not to exceed \$77,779,773 from Water Fund 41500, CIP-73-284.0, Miramar Water Treatment Plant Upgrade and Expansion and \$7,290,171 from Water Fund 41500, CIP-73-331.0, Water Pooled Contingency, for the purpose of providing funds for the Project and related costs, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditure under established contract funding phases are, or will be, on deposit with the City Treasurer, contingent upon the passage of the FY 2004 Capital Improvement Program and Appropriation Ordinance Budget;

Approving the use of City Forces on the Project to implement water treatment plant shut downs and perform other work necessary to help minimize and mitigate disruptions to the City's water service during construction of the Project for a cost not to exceed \$200,000;

Authorizing the expenditure of \$10,000 for right-of-way and easement related costs available in Water Fund 41500, CIP-73-284.0, Miramar Water Treatment Plant Upgrade and Expansion, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for

expenditure under established contract funding phases are, or will be, on deposit with the City Treasurer, contingent upon the passage of the FY 2004 Capital Improvement Program and Appropriation Ordinance Budget;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves. (BID-K03482C)

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 2/5/2003, NR&C voted 5 to 0 to approve. (Councilmembers Zucchet, Lewis, Frye, Madaffer, and Inzunza voted yea.)

CITY MANAGER SUPPORTING INFORMATION:

As part of the Water Department Capital Improvement Program, the Miramar Water Treatment Plant (WTP) Upgrade and Expansion is scheduled for expansion from its current capacity of 140 million gallons per day (MGD) to 215 MGD to meet the water demand of its service area. In addition to increasing treatment capacity, the treatment processes will be upgraded. This will improve operation and maintenance at the facility, and will meet the drinking water standards set by the U. S. Environmental Protection Agency. This project is included in the California Department of Health Services (DHS) Compliance Order (#04-14-96-022) requiring that construction be completed by June 2008.

Contract A represents the first of four components of the Miramar WTP Expansion and Upgrade. It consists of construction of new overflow, rapid mix and splitter box facilities, pre-ozonation and deaeration facilities, demolition of flocculation/sedimentation basin number 4, structural and mechanical modifications to flocculation/sedimentation basins numbers 1 and 2, construction of ozone facilities, twelve (12) high rate filters, bulk chemical storage facilities, chemical feed facilities, chlorine facilities, an administration/operations building, main switchgear building, emergency generator and a clearwell inlet structure. Due to the magnitude and scope of work associated with Contract A, the Water Department and EOCP have made a significant and proactive effort to facilitate small and disadvantaged contractor participation.

A Resource Protection Ordinance (RPO) Permit No. 99-0704 was approved and Final Program EIR (LDR No. 99-0704) was certified by the Hearing Officer on March 13, 2002, by Resolution No. D-2084 covering all phased improvements of the Miramar WTP expansion including Early Start Improvements (Phase II) and several contracts making up the facility upgrades. This project (Contract A) will facilitate the upcoming upgrade and expansion of Miramar WTP and will minimize the environmental and community impacts in compliance with the adopted Mitigation Monitoring and Reporting Program (MMRP) as part of the Final Program EIR.

Since 1999, the City of San Diego Water Department has been working with a Community Advisory Group whose members represent the Scripps Ranch Community to ensure that this project can be completed with as little impact to the community as possible, while meeting project needs and MMRP requirements. This project was presented and approved by the Natural Resources and Culture Committee on 2/5/2003.

FISCAL IMPACT:

The total cost of this project is \$109,226,996 of which \$24,157,052 was previously authorized. Funding of \$85,069,944 will be available from CIP-73-284.0 Miramar Water Treatment Plant - Upgrade & Expansion. This contract will be phase funded over four years.

Mendes/Gardner/HH

ADOPTION AGENDA, DISCUSSION, HEARINGS

SPECIAL HEARINGS:

ITEM-200: Conference with Real Property Negotiator, pursuant to California Government Code Section 54956.8:

Property: An approximate 76-acre parcel in the Northeast corner of Mission Bay Park.

City Negotiator: Real Estate Assets Director

Negotiating Party: Michael Gelfand, De Anza Harbor Resort and Golf, LLC

Under Negotiation: Seeking direction on the negotiation of an amendment to the existing Memorandum of Understanding between the City and De Anza harbor Resort, LLC.

Prior to Council discussion in Closed Session and in compliance with the Brown Act, (California Government Code Section 54956.8), this issue is listed on the docket **only** for public testimony.

There is no Council discussion of this item. The City Council's actions are:

1) Open the Public Hearing and accept testimony from any members of the public wishing to address the Council on this subject; 2) Conclude and close the public hearing; and 3) Refer the matter to Closed Session on April 1, 2003.

NOTE: Members of the public wishing to address the Council on this item should speak "in favor" or "in opposition" to the subject.

PUBLIC NOTICES:

Items are listed under Public Notice as a matter of public record only. These items do not require Council action and there is no public testimony.

ITEM-250: Settlement of the Brown Field Aviation Park LLC v. City of San Diego, et al.

(R-2003-1014)

Adopted as Resolution R-297710.

A Resolution approved by the City Council in Closed Session on Tuesday, March 4, 2003, by the following vote: Peters-yea; Zucchet-yea; Atkins-yea; Lewis-yea; Maienschein-yea; Frye-yea; Madaffer-yea; Inzunza-yea; Mayor-yea.

Authorizing the City Manager to pay the sum of \$1,251,000 in the settlement of each and every claim against the City, its agents and employees (Superior Court Case No. 800628, Brown Field Aviation Park LLC v. City of San Diego, et al.);

Authorizing the City Auditor and Comptroller to issue one check in amount of \$1,251,000, made payable to Brown Field Aviation Park LLC and Law Offices of Mazzarella, Dunwoody and Caldarelli in full settlement of the lawsuit and all claims;

Authorizing the City Auditor and Comptroller to transfer the sum of \$1,251,000, from the Airport Enterprise Fund balance, Fund 41100 to Fund 41100, Department 720, Org. 2102, Object Account 4141, Job Order 255356.

Aud. Cert. 2300877.

NOTE: This item is placed on a Council docket, so that the official and public record will reflect the adoption of this Resolution. It does not require any further Council action.

NON-DOCKET ITEMS

ADJOURNMENT IN HONOR OF APPROPRIATE PARTIES

ADJOURNMENT



THE CITY OF SAN DIEGO
MANAGER'S REPORT

DATE ISSUED: March 19, 2003 REPORT NO. 03-044

ATTENTION: Honorable Mayor and City Council
Agenda of March 24, 2003

SUBJECT: Proposed Formation of Assessment District No. 4096 (Piper Ranch)

REFERENCE: None

SUMMARY

Issues - Should the City Council:

- 1) Adopt a resolution (a) accepting a petition from Piper Ranch, LLC, to initiate special assessment proceedings for the purpose of establishing an assessment district and financing the acquisition of public improvements required in connection with development; (b) approving the boundary map for the proposed assessment district, Assessment District No. 4096 (Piper Ranch) (the "Assessment District"); (c) declaring its intention to order the acquisition of the public improvements in the proposed Assessment District; (d) formally designating NBS Government Finance Group as the Engineer of Work; and (e) approving the Purchase and Finance Agreement between the City and Piper Ranch LLC?
- 2) Adopt a resolution (a) preliminarily approving the Preliminary Assessment Engineer's Report; (b) setting the time and place for a public hearing of protests to the proposed levy of assessments and related matters set forth in the Preliminary Assessment Engineer's Report; and (c) providing for the mailing of a Notice of Assessment and an Assessment Ballot to affected property owners?

Deputy City Manager's Recommendation - Adopt the resolutions.

Other Recommendations - None.

Fiscal Impact - None to the City. In accordance with Council Policy 800-03, all costs related to determining financial feasibility of the proposed Assessment District, including financial advisory services, legal counsel, assessment engineering, appraisal services, and City staff, have been funded by Piper Ranch, LLC.

If the Assessment District is formed and bonds are subsequently issued, all costs related to financing the public facilities and improvements as described in this report and all incidental expenses related to forming and administering the Assessment District will be borne by property owners within the Assessment District.

BACKGROUND

The City has received an application and petition from Piper Ranch, LLC (property owner) to initiate special assessment proceedings for the purposes of establishing an assessment district on land owned in Otay Mesa, approximately one-half mile east of the Brown Field Airport. Piper Ranch, LLC is a wholly owned subsidiary of Otay Investors LLC, which is a joint venture between BCL Otay Investment LLC and Property Asset Management Inc., the latter of which is wholly owned by Lehman Brothers. The property is approximately 70 acres and is comprised of 24 parcels, which are fully entitled, and are planned to be developed as a light industrial office park. Site preparation and construction of infrastructure are underway.

The California Street and Highways Code, ("the Code") provides that public facilities that will be owned by the City may be financed through the establishment of an assessment district, and through collection of assessments from property owners within an assessment district. The Code further provides that the assessments may be pledged to support debt service on bonds issued to finance the public facilities. Council Policy 800-03 ("the Policy") allows for the use of assessment districts to finance public improvements required in connection with development and specifically contemplates utilization of assessment district financing in developing areas such as Otay Mesa.

Adoption of the above referenced resolutions will begin the formal legislative proceedings required to establish the proposed Assessment District.

DISCUSSION

In accordance with the Code and the Policy, the proposed Assessment District contemplates financing the acquisition of road (Piper Ranch Road, Air Wing Road, Aviator Road, Approach Road, and Dead Stick Road), sewer, and storm drain improvements, all of which will be owned by the City, and which will benefit property within the proposed district. Standard terms of acquisition by the City are included in the proposed Purchase and Finance Agreement between the City and the property owner.

The property owner has requested that the City issue special assessment district bonds in an amount necessary to yield approximately \$4.5 million in net proceeds to fund the public infrastructure described above. Based on current market conditions, it is estimated that a bond issuance size of approximately \$6 million would be required. In addition to the estimated cost of infrastructure, the bond issuance would need to provide for a required debt service reserve fund, interest payments due on the bonds from the date of bond issuance until the first collection of special assessments, and the costs to issue the bonds. The final bond amount will be largely dependent upon market conditions and an appraisal of the property within the proposed Assessment District prepared just prior to the bond issuance. The bonds would be repaid with special assessments levied upon property within the Assessed District.

The City hired NBS Government Finance Group (the “Assessment Engineer”) to prepare the Preliminary Engineer’s Report, as required by the Code and Article XIID of the California Constitution (“Proposition 218”). The Preliminary Engineer’s Report summarizes the cost estimates for the improvements and the proposed bond financing. The report also contains the proposed boundary map for the Assessment District and sets forth the assessment roll showing the proposed assessments. The proposed assessments are spread by the Assessment Engineer according to the special benefit each parcel would receive from the improvements. The proposed boundaries of the Assessment District are reflected in Attachment 1.

In addition, the Policy provides that City Council consideration of a request for assessment district financing will only be made following completion of an overall feasibility analysis. As part of the feasibility analysis, and in accordance with the Policy, the City commissioned a Financing Feasibility Study, prepared by the independent financial advisory firm of Fieldman, Rolapp & Associates. The Financing Feasibility Study discusses various aspects of the proposed Assessment District and financing mechanism, and sets forth certain conclusions and recommendations related to the City’s consideration of establishment of the proposed Assessment District. Chief among these conclusions and recommendations are:

- The proposed Assessment District formation conforms to the City’s policies with respect to the use of land-secured financing.
- The City has a reasonable basis to proceed with the formation of the proposed Assessment District at this time.
- Utilization of special assessment bonds to finance the acquisition of the specified infrastructure is appropriate.

- Due to the specialized nature of the development, the limited number of lots supporting the development, and the present status of the land as undeveloped lots, the City should require a value-to-lien ratio of 3.5 to 1; the Council Policy requires a minimum value-to-lien ratio of 3 to 1. At the present time, a bond issue up to \$6 million appears to be supported by preliminary appraisal data. Determination of the precise amount of bonds to be issued should only be made after receipt of a complete narrative appraisal prepared just prior to the issuance of bonds.

After review and analysis of the Financing Feasibility Study, City staff and the financial advisor are recommending that the City proceed with the formation of the proposed Assessment District, provided that the Financing Feasibility Study recommendations summarized above, as well as recommendations described in the Study, are implemented.

SCHEDULE

Adoption of the proposed resolutions would begin the formal legislative proceedings for formation of the proposed Assessment District and provide for a public hearing on May 13, 2003, regarding the proposed levy of assessments and related matters contained in the Preliminary Engineer's Report. Also, upon adoption of the proposed resolutions, ballots related to the proposed levy of assessments would be mailed to the property owner. At the public hearing, the City Council would receive public testimony and the City Clerk would count the returned ballots. If a majority of the returned ballots are cast in favor of the proposed levy of assessments, the City Council may adopt a resolution confirming the proposed assessments.

At a later date, additional documents would be brought forward for the City Council's consideration, including, but not limited to, a bond indenture, bond purchase agreement, the preliminary official statement, and related documents.

ALTERNATIVE

Do not approve the aforementioned resolutions to begin the formal legislative proceedings to establish the proposed Assessment District.

Respectfully submitted,

MARY E. VATTIMO
City Treasurer

Approved: PATRICIA T. FRAZIER
Deputy City Manager

VATTIMO/MLG/RLD

Note: The attachment is not available in electronic format. A copy of the attachment is available for review in the Office of the City Clerk.

Attachment: 1. Proposed Boundaries of Assessment District No. 4096 (Piper Ranch)



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: March 19, 2003 **REPORT NO:** 03-043

ATTENTION: Honorable Mayor and City Council
Docket of March 24, 2003

SUBJECT: Proposition 14 Application and Resolutions for the Main Library

REFERENCE: City Manager's Report 01-275, dated December 7, 2001
Council Action R-2002-879, dated January 22, 2002
City Manager's Report 02-116, dated May 29, 2002
City Manager's Report 02-264, dated November 8, 2002
Council Action R-2003-910, dated February 3, 2003

SUMMARY

Issues:

Should the City Council approve the following specific actions regarding the Proposition 14 grant application for the Main Library?

- A) Approve appropriating the local matching funds (35%) identified in the Proposition 14 Library Project Budget which are identified and included in the Library Financing Plan approved by Council on November 18, 2002, as required by Education Code Section 19995(a) should a grant be awarded.
- B) Approve appropriating supplemental funds as identified and included in the Library Financing Plan approved by Council on November 18, 2002 necessary to complete the project at the level stated in the project budget should a grant be awarded.
- C) Approve appropriating the local matching supplemental funds identified and included in the Library Financing Plan approved by Council on November 18, 2002, as specified in

the budget when they are required to meet cash flow requirements of the project.

- D) Approve the project budget as contained in the Project Budget section of the Application form.
- E) Attest to the accuracy and truthfulness of all information submitted in the Application form and the required supporting documents.
- F) Commit the Main Library to public library direct service by the City of San Diego.
- G) Dedicate the Main Library to public library direct service use for a minimum period of 40 years following completion of the project, regardless of any operating agreements the City may have with other jurisdictions or parties.
- H) Certifying that the information contained in LDR No. 41-0980A has been completed in compliance with the California Environmental Quality Act and State CEQA Guidelines, and that said Addendum reflects the independent judgment of the City of San Diego as Lead Agency. Stating for the record that the Addendum has been reviewed and considered prior to approving the project. Adopting the Mitigation, Monitoring and Reporting Program
- I) Authorize the revision of the Main Library CIP 35-082.0 budget as reflected in Attachment 4 and as contained in the Proposition 14 application.

Manager's Recommendation:

Approve the following actions regarding the Proposition 14 grant application for the Main Library:

- A) Approve appropriating the local matching funds (35%) identified in the Proposition 14 Library Project Budget which are identified and included in the Library Financing Plan approved by Council on November 18, 2002, as required by Education Code Section 19995(a) should a grant be awarded.
- B) Approve appropriating supplemental funds as identified and included in the Library Financing Plan approved by Council on November 18, 2002 necessary to complete the project at the level stated in the project budget should a grant be awarded.

- C) Approve appropriating the local matching supplemental funds as specified in the budget as identified and included in the Library Financing Plan approved by Council on November 18, 2002 when they are required to meet cash flow requirements of the project.
- D) Approve the project budget as contained in the Project Budget section of the Application form.
- E) Attest to the accuracy and truthfulness of all information submitted in the Application form and the required supporting documents.
- F) Commit the Main Library to public library direct service by the City of San Diego.
- G) Dedicate the Main Library to public library direct service use for a minimum period of 40 years following completion of the project, regardless of any operating agreements the City may have with other jurisdictions or parties.
- H) Certifying that the information contained in LDR No. 41-0980A has been completed in compliance with the California Environmental Quality Act and State CEQA Guidelines, and that said Addendum reflects the independent judgment of the City of San Diego as Lead Agency. Stating for the record that the Addendum has been reviewed and considered prior to approving the project. Adopting the Mitigation, Monitoring and Reporting Program
- I) Authorize the revision of the Main Library CIP 35-082.0 budget as reflected in Attachment 4 and as contained in the Proposition 14 application.

Other Recommendations: Board of Library Commissioners meeting of March 14, 2003, voted unanimously to support the Proposition 14 application for Main Library.

Fiscal Impact: The Title 5 - Library Bond Act Regulations state that the City shall commit to providing the local matching fund amount identified in the Library Project Budget. As required by the Education Code section 19995(a), “a commitment must be provided for the 35% matching funds needed and any supplemental funds necessary to complete the project at the level stated in the project budget. The local matching funds specified in the project budget must be made available when they are needed to meet the cash flow requirements for the project.”

On November 18, 2002, the City Council approved an overall \$312 million financing plan for the Library System Improvements Program, including construction of the Main Library. Consistent with the adopted financing plan, revenue sources identified to meet the funding needs of the overall Program include contributions from the Redevelopment Agency, City cash contributions, private donations/grants, and proceeds from the issuance of long-term bonds. Of the overall financing plan, the total project cost for the Main Library is estimated to be approximately \$149,500,000 million. The total project cost reflected in this application is the most recent cost estimate for the Main Library. The CIP budget presented in the FY2003 Annual Budget will be amended to reflect this current estimated total.

The Proposition 14 application for the Main Library is for the maximum allowable grant, \$20 million. In order to receive the maximum grant of \$20 million, the project size must be a minimum of approximately \$30.8 million, as the grant will fund 65% of the total eligible project cost (\$20 million is 65% of \$30.8 million). Any project funds that are required over that amount will be supported by funds identified and included in the Library Financing Plan approved by Council on November 18, 2002. Basing the 35% match on the maximum allowable grant and the required project size of approximately \$30.8 million, the local match would be approximately \$10.8 million.

Based on the aforementioned financing plan, \$149.5 million in funding sources for the Main Library include funds from the Redevelopment Agency (\$37.2million), private donations (\$20 million), and proceeds from the first two series of bond issuances (\$92.3 million). As the amount of overall identified funding sources equals \$149.5 million, this fulfills the previously mentioned \$10.8 million local match requirement for the grant application. Note that the current financing plan takes into consideration future estimated private donations in the amount of \$20 million. In the event that a state grant is awarded to the Main Library project, it will replace the needed private donations.

Supplemental costs: These are reported as eligible costs in excess of the \$30.8 million mentioned above and “ineligible costs” shown on the grant’s Financial Information sheet. These supplemental costs are the difference resulting from the total project costs and the eligible grant and matching funds of \$30.8 million. Any additional costs beyond the grant award required to complete the library project are adequately funded through the Library Financing Plan and the required funding for the \$149.5 million Main Library budget. Even though the grant award is for the maximum amount of \$20 million which is well below 65% of the project cost, the grant application must show the entire cost of the project.

BACKGROUND

Proposition 14, the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000, will provide \$350 million in grants to local agencies over the next three years to construct new libraries or expand and/or renovate existing libraries. Libraries can apply for grants of between \$50,000 and \$20

million per facility, and a 35 percent local match will be required. First priority funding is established for joint-use projects where there is a cooperative agreement between public libraries and K-12 public schools.

Specifically, Proposition 14 funds can be used for:

- 1) Acquisition or construction of new facilities or additions to existing public library facilities.
- 2) Acquisition of land necessary for the acquisition or construction of new facilities or additions to existing public library facilities.
- 3) Remodeling or rehabilitation of existing public library facilities or of other facilities for the purpose of their conversion to public library facilities. All remodeling and rehabilitation projects funded with authorized grants shall include any necessary upgrading of electrical and telecommunications systems to accommodate Internet and similar computer technology.
- 4) Procurement and/or installation, of furnishings and equipment required to make a facility fully operable, if the procurement or installation is part of a construction or remodeling project funded under the Library Bond Act.
- 5) Payment of fees charged by architects, engineers and other professionals, whose services are required to plan or execute a project authorized pursuant to the Library Bond Act.

Grant Components and Criteria

The grant has specific components and criteria. Following is a summary of the criteria that are provided by the State Library on its Proposition 14 website (www.olc.ca.gov) The criteria indicate that there are seven "factors" which the Board shall consider while reviewing applications. In reviewing applications, the Board shall consider all of the following factors per Education Code Section 19998(a):

- 1) Needs of urban and rural areas. The purpose is to ensure that both the urbanized and rural areas of the state receive equitable treatment.
- 2) Population growth. Libraries serving areas that have had significant increases in population will receive greater consideration.
- 3) Age and condition of the existing library facility. Funding will favor the replacement of older, usually obsolete facilities.
- 4) The degree to which the existing library facility is inadequate in meeting the needs of the residents in the library service area and the degree to which the proposed project responds to the needs of those residents.

- 5) The degree to which the library's plan of service integrates appropriate electronic technologies into the proposed project.
- 6) The degree to which the proposed site is appropriate for the proposed project and its intended use.
- 7) For applications for the construction of new libraries, the financial capacity of the local agency submitting the application to open and maintain operation of the proposed library.

In addition, the local government's application must contain the following information:

1. **Funding:** The local grant recipient must provide 35% of all eligible project costs and 100% of all other project costs. A resolution from the local governing body must be submitted with the application demonstrating commitment to provide the local matching fund amount and any other supplemental funds needed to complete the project.
2. **Commitment to Provide Public Library Direct Service:** Regardless of any operating agreements, the governing body must agree that the completed building will be dedicated to public library direct service use for a period of at least 40 years following the completion of the project.
3. **Building and Site Considerations:** Supporting documents must be submitted with the application. These include: site and title requirements including all California Environmental Quality Act (CEQA) documentation, proof of property ownership or any lease and lease-purchase agreements, boundary survey, geo-technical report, visual record of the existing library, map and visual record of the site with map.
4. **Community Needs Assessment:** The needs assessment is developed as a collaborative effort between the public library and public school district. It demonstrates the need for the project and describes its relationship to the overall library jurisdiction.
5. **Library Plan of Service:** A library plan of service will describe how the needs of the residents in the library service area will be met by the proposed project.
6. **Library Building Program:** The building program will demonstrate how the library plan of service will be implemented in the actual project.
7. **Conceptual plans:** Architectural plans will be submitted that include a floor plan and site plan that justify the projected construction cost estimate.

The application and all supporting documents, including resolutions must be submitted as a complete document to the State by March 28, 2003. If any portions of the submittal are missing or incomplete, the entire application will be deemed "ineligible" and will not be considered.

Proposition 14, Round One

Of 66 applications submitted for the June 14, 2002 Proposition 14 funding cycle, 61 applications were eligible and were submitted to the Board for evaluation. The total value of the grant requests was over \$500 million. Of the \$150 million scheduled to be awarded in the Round 1 cycle, \$149,226,329 was awarded. The remaining funds were rolled over to Round 3 of the award cycle.

The applications for the Main Library, Logan Heights Branch Library and San Ysidro Branch Library, previously approved for submission in Round One were forwarded to the Library Construction and Renovation Board for review and evaluation. At two separate meetings in December 2002, the California Public Library Construction and Renovation Board awarded 1st cycle Library Bond Act funds to 18 projects throughout the State of California. The Logan Heights Branch Library project was the recipient of a \$5,359,724 million grant award.

On January 10, 2003, Library staff spoke with Bond application evaluators regarding the Main Library application. City staff and architects had many questions regarding the application and the State's comments. Staff incorporated suggestions into a new Main Library application.

Required Resolutions and Funding Commitment for Grant Applicants

As part of the grant application, the City Council must certify the following by resolution:

1. A commitment to provide the local matching funds identified in the Proposition 14 Library Project Budget, as required by Education Code Section 19995(a).
2. A commitment to provide any supplemental funds necessary to complete the project at the level stated in the project budget.
3. A commitment to the availability of the local matching supplemental funds as specified in the budget when they are required to meet cash flow requirements of the project.
4. Approval of the project budget as contained in the Project Budget section of the Application form.
5. Attestation to the accuracy and truthfulness of all information submitted in the Application form and the required supporting documents.
6. A commitment that the library facility for which grant funds are sought shall provide public library direct service by the City of San Diego.
7. A commitment that the library shall be dedicated to public library direct service use for a minimum period of 40 years following completion of the project, regardless of any operating agreements the City may have with other jurisdictions or parties.

Attachment 1 is the Education Code that refers to the required funding amount.

Attachment 2 is Title 5 Library Bond Act Regulations (page 28) which describe the requirements for the funding resolution.

Main Library Project Description and Funding Sources

Plans have called for a new Main Library since 1977. The present facility at 820 E Street is 144,000 square feet and outgrew its space 25 years ago. More than half the collections have to be stored in two basement levels that are closed to the public and available only upon request. The Central Library does not have the electrical capacity or space for computer stations to meet the needs of the public. There is little space for exhibits, meetings or cultural events. There is insufficient space for exhibits and displays which might complement and promote collections.

In May 2000, the City Council selected the "Park to Bay" site, between 11th and 12th avenues and J and K streets as the location for the Main Library, and in October 2000 approved a contract with architect Rob Wellington Quigley for schematic designs. Design is proceeding for a Main Library to serve the current and future needs of the more than 1,200,000 million current residents of the City. This site was re-affirmed by Council on July 30, 2001.

Under this plan, funds identified and included in the Library Financing Plan approved by Council on November 18, 2002, the Main Library will be funded using funds from the Redevelopment Agency, private donations/grants, and proceeds from the issuance of long-term bonds.

Since the application is for the maximum allowable grant of \$20 million, the matching fund requirement would not be based on the entire project cost. To receive a \$20 million grant, the project size must be at least \$30.8 million (\$20 million is approximately 65% of \$30.8 million). Any project funds that are required over that amount will be 100% local funds which have been included in the previously approved Library Financing Plan. The 35% matching requirement would be \$10.8 million. However the City is required to provide sufficient funds to complete the entire project, estimated at a total cost of \$149.5 million, should a grant be awarded the full amount necessary to complete construction must be shown in the application documents.



Project Funding:

65% State	\$20,000,000 (maximum grant award)
35% Local Match needed	\$10,800,000
Supplemental Costs	<u>\$118,700,000</u>
TOTAL PROJECT COST	\$149,500,000

Available Local Match: Identified in the previously approved financing plan for the Library System Improvements Program (November 18, 2002, City Manager Report 02-264), the City has already begun to implement the outlined financing plan and has appropriated \$10.3 million of City cash toward the Main Library. Of the total funding made available to date, the appropriations occurred in prior fiscal years and fiscal year 2003. The appropriated amount of \$10.3 million is 95% of the required local match. Per the financing plan previously approved by the City Council, the remaining balance of the local match will be met through the additional funding sources allocated for the Main Library which include contributions from the Redevelopment Agency, private donations, and the proceeds from the bond issuances. Of the appropriated \$10.3 million, approximately \$4.7 million has been expended for the Preliminary Planning and Design phases of the project.

Environmental impact: Certifying that the information contained in LDR No. 41- 0980A has been completed in compliance with the California Environmental Quality Act and State CEQA Guidelines, and that said Addendum reflects the independent judgment of the City of San Diego as Lead Agency. Stating for the record that the Addendum has been reviewed and considered prior to approving the project. Adopting the Mitigation, Monitoring and Reporting Program.

Attachment 3: Revised Main Library CIP 35-082.0 budget.

Attachment 4: The “Financial Information” pages of the Proposition 14 application.

Ineligible and Supplemental Funding

The Main Library project has costs which are not eligible for funding under the Title 5 Library Bond Act. These costs reflect the difference between what the State mandates as the maximum costs (\$30.8 million for the Main Library) for new construction and the funding necessary to complete the project which includes elements of the project not covered by the grant. These elements include the development of future expansion space, art work, design work and efforts occurring three years before the issuance of the grant, and other miscellaneous items. Accordingly, these are considered ineligible for state funding and are shown as “supplemental local funds”. However, this ineligible funding does not change the overall Main Library costs which are identified in the library’s financing plan

Main Library Operations and Management

The San Diego Public Library Department will have the financial capacity to open and operate the Main Library. The additional costs of operating this facility were calculated with the assistance of library consultants and provided to City Council in a City Manager’s Report No. 98-15 in 1998. The increased operating costs have been taken into account in the financing plan adopted on November 18, 2002 using incremental library ordinance funds. The projected operating costs of approximately \$9.8 million for the Main Library were discussed in Manager’s Report 00-107, dated May 18, 2000.

Environmental Documents and Actions

Compliance with the California Environmental Quality Act (CEQA) is required for all projects submitted to the Office of Library Construction as part of the Library Bond Act Grant application process. In order to satisfy this requirement evidence of the environmental impact documentation (EID) such as the final CEQA document, State Clearinghouse (SCH) compliance letter, local resolutions and notice of determinations are required. On May 28, 2002, the San Diego City Council approved the Main Library Project, certified the original Mitigated Negative Declaration (LDR No. 41-0980), adopted the Mitigation, Monitoring and Reporting Program (Council Resolution R-296575) and the application for round one of the Library Bond Act Grant application process. However, the original Mitigated Negative Declaration was not submitted to the State Clearinghouse for review because the Title 5 Bond Act Regulations were not clear regarding this submittal requirement. Subsequently, the State felt that the Library did not satisfy the requirements for round one. The City appealed this decision to the Office of Library Construction citing specific CEQA sections regarding SCH review, and the application was reevaluated and

deemed eligible. The Title 5 Regulations have now been modified to clarify the CEQA documentation requirements.

In order to satisfy the grant application requirements for round two, the original Mitigated Negative Declaration was submitted to the SCH in January 2003 for the required 30-day public review. Prior to the close of the SCH review period the City Council approved a resolution to submit an application for the Main Library in round two of the Library Bond Act Grant process. A subsequent Notice of Determination was filed for this action based on the previously approved Mitigated Negative Declaration [Resolution No. R-297614, dated February 3, 2003]. Because one letter of comment was received from a State agency during the required SCH review period, an Addendum was prepared to respond to the comment letter and clarify the environmental process that was followed for round two of the Library Bond Act grant application to date. Certification of the Final Addendum, adoption of the Mitigation, Monitoring and Reporting Program incorporated into the new document, and submittal of the SCH compliance letter will satisfy the requirements for round two of the grant application process.

Grant Evaluation Process

All applications are due to the State by March 28, 2003. Once applications have been submitted, the Office of Library Construction staff will evaluate the applications and provide the State Librarian and Board with "findings" which will rank the applications by priority and as to how each application met the review consideration factors specified in Section 19989. The Board will then review the applications and make the final grant award decisions.

It is anticipated that the grant awards results will be announced in fall 2003. If a project is not awarded a grant, these applications may be resubmitted for consideration for the Round Three (January 16, 2004) grant award cycle.

Alternatives

Do not approve the application, funding commitment and resolutions as required by the Title 5 Library Bond Act Regulations.

Respectfully Submitted,

Anna Tatár
Library Director

Approved: Bruce A. Herring
Deputy City Manager

TATÁR/ES

Note: The attachments are not available in electronic format. A copy is available for review in the Office of the City Clerk.

- Attachments:
1. Education Code.
 2. Title 5 Bond Act Regulations, page 28.
 3. Revised Main Library CIP 35-082.0 Budget.
 4. Proposition 14 grant application, Financial Information pages.